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From: O'Connor, Darcy
Sent: Thur 2/11/2016 11:34:49 PM
Subject: information on the U&O Ozone exceedances and potential FIP

Shaun, I'm attaching some information for the Administrator's weekend report. It's a bit long, but we wanted to make sure we had some of the background information if needed. If you have questions or need additional information tomorrow, please give Jennifer a holler.

Thanks!
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Uinta and Ouray Indian Reservation Proposed Federal Implementation Plan for Existing Oil and Natural Gas Well Production Facilities

Air Quality Background: Ozone levels in the Uinta Basin have exceeded the ozone standard numerous times over the past few years and represent a serious public health concern. Wintertime ozone in the basin has caused the first exceedances in the nation of the new ozone NAAQS in 2016. Six different monitors in the basin have recorded a total of 27 exceedances to date in CY16. Preliminary data, (not yet QA'd or certified) at the Ouray monitor in the basin is currently showing an 8 hour average ozone above 100 ppb, and five additional monitors also have values exceeding the ozone NAAQS with 8 hour averages in the mid 70s to mid 80s. The Ouray monitor has the highest preliminary design value (3 year average of the 4th max value of 8 hour average ozone, which is used for comparison to the NAAQS) in the basin for 2014-2016 at 77.7 ppb.

Oil and Gas Emissions: Approximately 98 % of VOC and 60 % of NOx emissions released in the Uinta Basin are from existing oil and natural gas production operations under the Clean Air Act. Furthermore, approximately 78 % of oil and natural gas sources are on Indian country lands within the U&O Indian Reservation which are largely unregulated, with no control obligations. The proposed FIP will fill a regulatory gap with regard to controlling VOC emissions from existing sources within the U&O Reservation that are not covered by the proposed national FIP for Indian country.

FIP: EPA Region 8 is proposing to promulgate a FIP under the CAA specific to the U&O Reservation. In the FIP, the EPA proposes to regulate VOC emissions from existing facilities in the production segment of the oil and natural gas sector that are located on Indian country lands in the Uinta Basin. The requirements in this reservation specific FIP are intended to address the two concerns of compromised air quality in the Uinta Basin and inconsistent regulatory requirements across Indian country and State of Utah jurisdictions. This rule will apply to any person who owns or operates an existing oil and natural gas production facility in the Uinta Basin of eastern Utah and facilities located on Indian country lands within the Uintah & Ouray (U&O) Reservation. We continue to engage in consultation discussions with the Tribe related to this rule. The draft FRN has circulated within EPA Region 8, OAQPS and OGC at the staff level since mid-November. We are currently finishing responses to comments from this internal review. The proposed U&O FIP was listed as Tier 3 in the ADP Tracker and we submitted a justification for non-significance for OMB's consideration. OMB has determined that the rule is significant and they will review it. Although there is no court ordered or other deadline associated with this rule, given the serious air quality concerns in the basin, the region desires to move this rule quickly in order to achieve VOC reductions in the basin. In addition, it is justifiable that this rule follow closely with the national oil and gas rulemaking schedule.